

News Release: For immediate publication

## H1FY12 Revenue surges by 18%

**Pune, November 14, 2011:** Innoventive Industries Limited (IIL) a multi-product engineering company which manufactures precision steel tubes, membrane panel strips, auto components, oil well drilling couplings, pup joints and other steel products catering to applications in diverse sectors such as transportation, boilers & heat exchangers, energy, oil & gas, farm equipment & general engineering has announced its financial results for the quarter and half year ended September 30, 2011.

### Standalone Financial Highlights

#### H1FY12

- For the half-year ended September 30, 2011 the Company has reported revenues of ₹ 285 crore resulting in growth of 18% in comparison to revenues of ₹ 242 crore in H1FY11.
- EBITDA for H1FY12 of ₹ 73 crore was higher by 15% when compared to H1FY11 EBITDA of ₹ 63 crore.
- PAT for H1FY12 was ₹ 28 crore is higher by 38% when compared to ₹ 21 crore in H1FY11 excluding reversal of excess tax provision of earlier period.
- EPS (not annualized) stands at ₹ 5.07/- per share on enhanced capital base following IPO in April, 2011 as against H1FY11 EPS (not annualized) of ₹ 7.49 per share.

### Chairman's Message

Commenting on the results, **Mr. Chandu Chavan, Chairman** of Innoventive Industries said:

*"I am glad to state that the company has demonstrated a strong performance in H1FY 12 with an 18% growth in revenues and 38% rise in PAT.*

*We are in the business of manufacturing and selling high value added precision engineering components catering to diverse sectors of the economy which are witnessing a steady growth. This is demonstrated by traction shown in our CEW/DOM and motor vehicle parts. Despite a slowdown we have posted a growth in our revenues due to an increase in demand from overseas markets for our CEW/DOM tubes.*

*The macro economic scenario has been uncertain over the last couple of quarters, but given our diversification across products, markets and customers we are very well positioned to sustain growth in varied market conditions."*

## Operating Highlights

- The company had a successful listing in the month of May, 2011 after raising ₹ 217.41 crore through its IPO. The proceeds will be utilized towards capacity expansions, debt repayment and general corporate purposes.
- Post-IPO the company's long term Debt : Equity stands at 0.35
- The company's Pimple Jagtap facility has been awarded the 'Mega Project Status' which makes Innoventive Industries eligible for Industrial Promotion Subsidy (IPS) until FY2016
  - Pursuant to its eligibility for this scheme, IIL has received a IPS sanction letter for ₹ 25.46 crore recently.

## Outlook

The strong performance is likely to continue due to:

- Greater acceptance of CEW/DOM tubes over conventional seamless & non-ferrous tubes – increase in demand for IIL's CEW/DOM tubes which have a proven track record
- Increased penetration in export markets as business environment places greater pressure on customers to shift to cost competitive suppliers
- Increasing demand for hydrocarbons coupled with more global certifications has resulted in growth for OCTG products
- Traction in demand for membrane panel strips - an import substitute product has led to capacity expansion in the sector
- Supply contract with global customers already in place

**-ENDS**

## About Innoventive Industries Ltd (IIL)

Innoventive Industries Limited (BSE:INNOIND, NSE:INNOIND, Reuters: INNV.BO, Bloomberg: IIL :IN) is a multi-product engineering company which manufactures precision steel tubes, membrane panel strips, auto components, oil well drilling couplings, pup joints and other steel products catering to applications in diverse sectors such as automobiles, boilers & heat exchangers, energy, oil & gas, farm equipment & general engineering.

It specializes in processing various types of steel, has a capability to make tubular transformations, enjoys flexible production systems and is able to undertake faster development cycles and effective supply chain management for efficient delivery. IIL has a well developed in-house R&D setup which has led to innovation in the manufacturing process leading to significant savings in resources and heightened competitiveness. The company's patent for its unique manufacturing process has passed public domain and is in the process of filing additional patents for some of its other innovations.

IIL has six manufacturing facilities spread across Pune and Silvassa. Its manufacturing facility at Pimple Jagtap was granted the 'Mega Project' status by the Govt. of Maharashtra under the 'Package Scheme of Incentives 2007 which entitles the company to relief from certain duties and benefit of Industrial Promotion Subsidy. IIL markets its products in the domestic as well as export markets and its customer list includes some of the leading names in their industries.

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## Safe Harbour

*Some of the statements in this press release that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.*